



1999

Massachusetts

Department of

Revenue

Schedule BC
Brownfields Credit

Name

Federal ID or Social Security number

Part 1. General Information**1** Type of business for which property is being used (check only one):

- ☐ Sole Proprietorship ☐ Partnership ☐ S Corporation ☐ Corporate Trust ☐ Corporation
☐ Corporation included in a combined return (enter name and Federal ID Number of principal reporting company):

☐ Other (specify) _____**2** Type of return this schedule is filed with _____**3** Location of project _____**4** Date of filing of Response Outcome Statement with DEP (attach copy) _____**Part 2. Allowable Tax Credit Percentage****5** Enter .25 if cleanup results in Activity and Use Limitation (AUL), or .5 if cleanup results in unlimited use **5****Part 3. Computation of Current Year Brownfields Credit**

6 Briefly, but accurately, describe purchases of qualifying property for the Brownfields Credit. Complete details must be available upon request.	Date acquired	Assessed value prior to remediation	Cost of cleanup (after 7-31-98)
7 Total costs. The cleanup costs must exceed 15% of the assessed value of the cleanup area to claim the credit. . .	7	\$	\$
8 Available current year Brownfields Credit. <i>Multiply line 7 (cost of cleanup) by .25 or .5, whichever applies.</i>	8	\$	\$

Part 4. Taxpayers Subject to Tax Under MGL Ch. 62**9** Total tax for determining allowable credit. Form 1, line 24; Form 1-NR/PY, line 28; Form 2, line 41; Form 3F, line 23 **9****10** Total of Limited Income Credit, Credit for Taxes Paid to Other Jurisdictions, Lead Paint Credit, Energy Credit, Full Employment Credit and Septic Credit, if any **10****11** Subtract line 10 from line 9. Enter result here **11****12** Enter 50% of line 11 here. **Not less than "0"** **12****13** Brownfields Credit available this year. Enter amount from line 8 **13****14** Brownfields Credit allowable for use in current year. If line 12 is greater than or equal to line 13, enter line 13. If line 12 is less than line 13 enter line 12. **14**

Enter amount from line 14 on Form 1, Schedule Z; Form 1-NR/PY, Schedule Z; Form 2, line 42; or Form 3F, line 27.

Part 5. Taxpayers Subject to Tax Under MGL Ch. 63**15** Total corporate excise. Enter 50% of Form 355A or 355B, Computation of Excise, line 4; or Form 355S-A or 355S-B, Computation of Excise, line 6; or Form 355C-A or 355C-B, Schedule E, part 2, line 3; Form 355SC, line 7; or line 11 from Schedule H, but not less than "0". **15****16** Enter the amount from Schedule H, line 27, column B **16****17** Enter the amount from Schedule RC, line 26 or Schedule RC-A, line 30 **17****18** Enter amount from Schedule HM, line 14 **18****19** Enter amount from Schedule FEC, line 22. **19****20** Add lines 16, 17, 18 and 19. **20****21** Subtract line 20 from line 15 **21****22** Brownfields Credit available this year. Enter amount from line 8 **22****23** Enter the smaller of line 21 or line 22 here and on the Computation of Excise **23**

Part 6. Carryover to Future Years

24 Maximum amount of credits for conversion to five-year carryover status:

Year	a. Current year credit	b. Portion used this year	Carryforward
1999	(1999 Sch. BC, line 8) \$	\$	\$ 2000–2004

Schedule BC Instructions

General Information

What Is the Brownfields (BC) Credit?

The Brownfields Credit is a tax credit designed to encourage private sector investment in the cleanup of contaminated sites in economically depressed areas. The Brownfields Act of 1998 ends liability for innocent owners and operators once they meet DEP's cleanup standards for oil and hazardous material releases. See TIR 99-13 for further information.

What Is an Eligible Site?

To qualify for this credit, a site must be located in an "Economically Distressed Area." A list of economically distressed areas can be obtained from the Governor's Office of Brownfields Revitalization, 10 Park Plaza, Boston, MA 02116.

Who Is Eligible to Take the Brownfield Credit?

The credit is available to all businesses regardless of whether the business is a sole proprietorship, partnership, corporate trust or corporation. The taxpayer must be an owner or operator who did not own or operate the site at the time of the contamination and did not contribute to the contamination at the site. The site must be used for a business purpose. The taxpayer must complete the cleanup and submit a Response Outcome Statement or Remedy Operation Status document prior to claiming the credit.

What Is the Allowable Tax Credit?

A credit of 25% of the cleanup costs is allowed for a cleanup that achieves and maintains a permanent solution or remedy operation status that results in limited use of the property. A credit of 50% of the cleanup costs is allowed for a cleanup that achieves and maintains a permanent solution or remedy operation status that makes the site safe for unrestricted use.

Are There Special Requirements to Obtain the Credit?

Yes. Costs must be incurred between August 1, 1998 and January 1, 2005. Costs must be greater than 15% of the assessed value of the property prior to cleanup. The site must be reported to the DEP. The credit cannot be claimed if financial assistance is received from Redevelopment Access to Capitol Program or the Brownfields Redevelopment Fund.

Are There Limitations to the Credit?

Yes. Taxpayers subject to tax under MGL Ch. 62 (sole proprietorships, trusts, corporate trusts, partnerships and S corporations) are allowed to use the credit to offset up to 50% of their tax due. Corporations may offset up to 50% of the excise due with the credit. Corporations cannot use the credit to lower their excise below the minimum.

May Excess Credits be Carried Over From Year to Year?

Yes. Taxpayers subject to tax under MGL Ch. 62 may carryover unused credits for five years. Taxpayers subject to tax under MGL Ch. 63 may carry over for five years any credits not used due to the 50% or minimum excise limitation.

Line Instructions

Line 1. Check the type of business for which the property is being used.

Line 2. Enter the type of return that you file. Attach a copy of this schedule to your return.

Line 3. The location of the qualified project should be entered here.

Line 4. Enter the date the Response Outcome Statement was filed with DEP.

Line 5. Enter .25 if limited use results or .5 if unlimited use results.

If you are an S corporation shareholder, you will be notified by the S corporation of the amount to enter in line 8. If you are a general or limited partner you will be notified by the partnership of the amount to enter in line 8. You must still complete Part 1.

Line 6. Enter here an accurate description of the qualifying property. Also list the date of acquisition, assessed value of property prior to cleanup, and cost of cleanup.

Line 7. This is the total cost of the cleanup.

Line 8. Multiply line 8 by 25% or 50%. This equals the available current year Brownfields Credit.

Taxpayers who are subject to MGL Ch. 63: Corporations who file Form 355A, 355B, 355S-A, 355S-B, 355C-A or 355C-B must complete Parts 5 and 6.

Taxpayers who are subject to MGL Ch. 62: Taxpayers who are subject to MGL Ch. 62 must complete Parts 4 and 6. Part 4 is used to calculate the amount of credit that can be used this year. Taxpayers can offset up to 50% of their tax due with the BC credit. Part 6 is used to calculate the amount of the credit to be carried over to future years.

Line 9. Enter in line 9 your total tax from Form 1, line 24; Form 1-NR/PY, line 28; Form 2, line 41; or Form 3F, line 23.

Line 10. Add other credits, if any. Enter the result in line 10.

Line 11. Subtract line 10 from line 9 and enter the result here. Do not enter less than "0."

Line 12. Enter 50% of line 11 and enter the result in line 12.

Line 13. Enter amount from line 8.

Line 14. If line 12 is greater than or equal to line 13, enter line 13 here. If line 12 is less than line 13, enter line 12 here.

Enter the amount from line 14 on Form 1, Schedule Z; Form 1-NR/PY, Schedule Z; Form 2, line 42; or Form 3F, line 27.